

ITEM



2009/10 BUDGET REPORT

24th June 2009

1. TABLE OF CONTENTS

	BUDGET REPORT	Page
1.	TABLE OF CONTENTS	3
2.	BUDGET RELATED RESOLUTIONS	4
3.	EXECUTIVE SUMMARY	
3.1	2009/10 Operational Budget Proposals	6
3.2	2009/10 Capital Budget Proposals	9
3.3	Proposed property rates, tariffs, and user charges for 2009/10	12
3.4	Key budget issues	15
4.	SUPPORTING INFORMATION ON THE BUDGET PROPOSALS	
4.1	2009/10 Budget Process Overview	15
4.2	Budget related Policies – overview and proposed amendments	19
4.3	Budget Assumptions	24
4.4	Funding the Budget	26
4.5	Cash flow Forecast	30
4.6	Disclosure on allocations made by the municipality	30
4.7	Disclosure on the implementation of the MFMA and other legislation	31
5.1	SCHEDULES TO THE BUDGET REPORT	
1	MLCM Budget Summary	1
2	Other General Expenses	4
3(a)	IDP linked Capital Projects Budget	20

3(b)	Unsecured IDP linked Capital Projects Budget	26
3(c)	Out-of-books Capital Budget	28
5.2	TABLES TO THE BUDGET REPORT	
		29
A1	Budget Summary	30
A3	Budgeted Financial Performance (Revenue & Expenditure by Municipal votes)	31
A4	Budgeted Financial Performance (Revenue & Expenditure)	32
A5	Budgeted Capital Expenditure by vote, standard classification & funding)	33
A6	Budgeted Financial Position	34
A7	Budgeted Cash Flow	35
A8	Cash backed reserves/ accumulated surplus reconciliation (to be submitted in council meeting)	36
A9	Asset Management	37
A10	Basic Service delivery measurement (to be submitted in council meeting)	38
A11	Proposed rates, tariffs and user charges for 2009/10	39
6	ANNEXURES: BUDGET RELATED POLICIES	
13	Credit Control and Debt Collection Policy	
14	Amendment Indigent Management Policy	
15	Banking and Investment Policy	
16	Amendment Rates Policy	
17	Public Safety Tariff Policy	
7	Revised Draft IDP for 2009/10Draft Rates Policy	

2. BUDGET RELATED RESOLUTIONS

Council resolves:

1. That the annual budget of Mogale City Local Municipality for the financial year 2009/10 and the indicative estimates for the two projected outer years 2010/11 and 2011/12, as set out in the tables listed below be **approved**.
 - 1.1 Budget Summary: Table A1;
 - 1.2 Budgeted Financial Performance (Revenue & Expenditure by municipal votes: Table A3);
 - 1.3 Budgeted Financial Performance (Revenue & Expenditure Table A4) and
 - 1.4 Budgeted Capital Expenditure by vote, standard classification & funding: Table A5 and,
 - 1, 5 Budgeted Financial Position: Table A6.
2. That the new proposed Property rates based on new valuation roll be **approved**.
3. That cognizance be taken of government gazette numbers 32061 and 32062 regarding the regulations of the ratio of tariffs among property categories and in terms of the calculations residential tax payers are allocated rebate of R40, 000 on the valuation and a rebate of 40% on the tariff.
4. That the increase to Refuse Removal and Sanitation tariffs of 10% for the budget year 2009/10 be **approved**.
5. That the proposed average tariff increase for electricity of 35, 83% (33.33% plus the 2, 5% surcharge) for 2009/10 be **approved**.
6. That the remaining tariffs be increased by 8% as reflected in Table A12 be **approved**.
7. That the amendments proposed to the policy for Credit Control & Debt Collection, as set out in section 4.2.3 of this report be **approved**.
8. That the amendments proposed to the Indigent Management Policy, as set out in section 4.2.4 of this report be **approved**.
9. That the amendments to Rates Policy as set out in section 4.2.5 of this report be **approved**.
10. That the Public Safety Tariff Policy as reflected in Annexure 17 be **approved**.

3. EXECUTIVE SUMMARY

3.1 2009/10 OPERATIONAL BUDGET PROPOSALS

- 3.1.1 The total operational expenditure budget for Mogale City as balanced to the total revenue forecasted for 2009/2010 is R1, 230 million. This budget is R281, 066 million (or 30%) above the Approved Adjustment Budget for the current financial year (2008/2009). The Original Budget as approved by Council for 2008/2009 financial year was R977, 664 million which is R252, 628 million (26%) lesser than this proposed expenditure budget.

Table1: Total Operational Budget 2009/10 to 2011/12

	2008/09 Original Budget	2008/09 Adjusted Budget	2009/10 Budget	2010/11 Forecast	2011/12 Forecast
	R 000	R 000	R 000	R 000	R 000
Expenditure	977 664	949 226	1 230 292	1 376 369	1 600 676
Revenue	977 664	949 226	1 230 292	1 376 369	1 600 676
Surplus/(Deficit)	0	0	0	0	0

- 3.1.2 Tables A3 and A4 of this report show the Budgeted Financial Performance (Revenue & Expenditure by Municipal votes) as well as the Budgeted Financial Performance (Revenue & Expenditure).
- 3.1.3 Charts 1 illustrate how the source of revenue is analysed and Charts 2 and 3 illustrate how the operational expenditure budget is allocated between Departments and between different types of expenditure for 2009/10.
- 3.1.4 The total operational revenue budget proposed for Mogale City Local Municipality for 2009/10 is also R1, 230 million. Table A4 shows the Budgeted Financial Performance (revenue and expenditure).

Chart 1: 2009/10 Budgeted Financial Performance: analysed by source of revenue

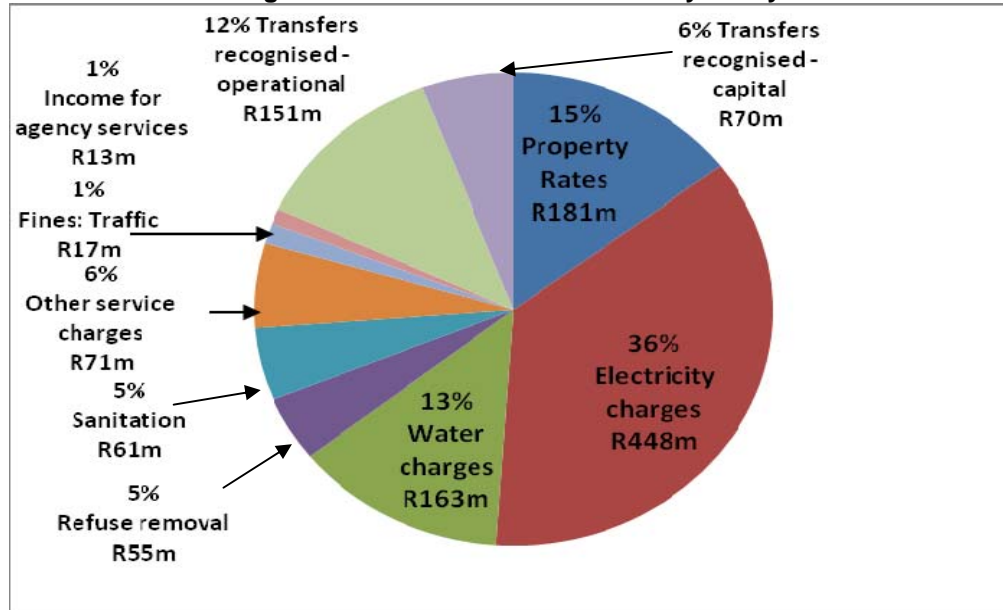


Chart 2: 2009/10 Budgeted Financial Performance: analysed by type of expenditure

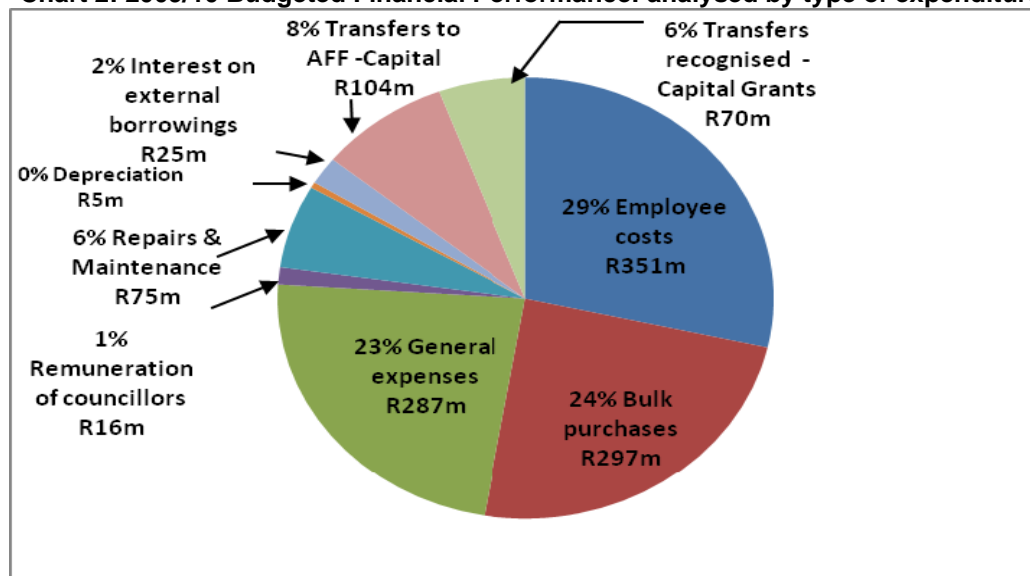
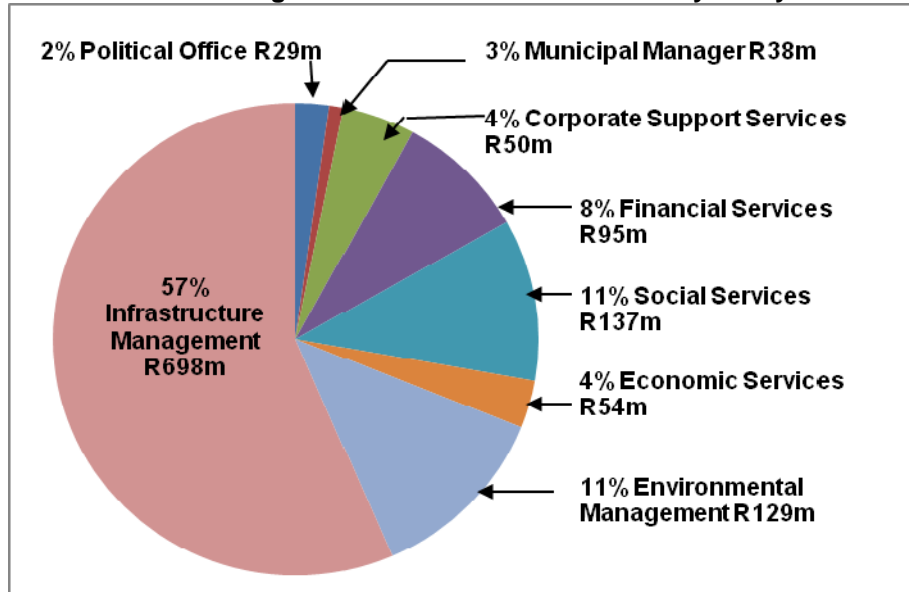


Chart 3: 2009/10 Budgeted Financial Performance: analysed by vote



3.2 2009/10 CAPITAL BUDGET

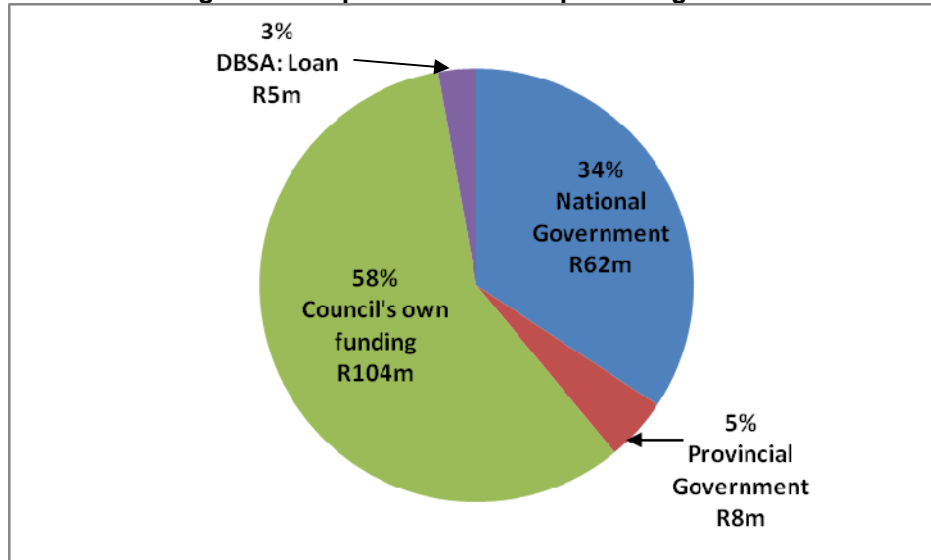
- 3.2.1 The total capital budget for Mogale City Local Municipality for 2009/10 is R179, 508 million. This is R27, 670 million above the 2008/09 Approved Adjustment Budget (18% above) and R39, 876 million above the current year's Original Budget (28% above).
- 3.2.2 Please note that the budget forecasts for two outer years shown in table 2 below includes the amounts gazetted in DORA (Division of Revenues Act) to MCLM from National government for 2010/11 and 2011/12 for MIG (Municipal Infrastructure Grant).

Table2: Proposed Capital Budget 2009/10 to 2011/12

	2008/09 Original Budget	2008/09 Adjusted Budget	2009/10 Budget	2010/11 Forecast	2011/12 Forecast
	R 000	R 000	R 000	R 000	R 000
Total	139 632	151 838	179 508	139 826	153 907

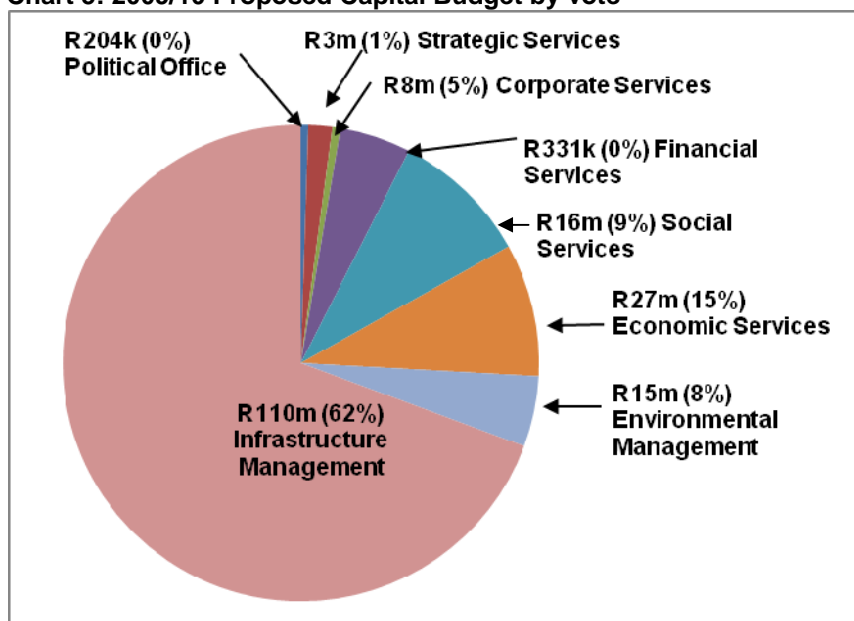
- 3.2.3 Details of the funding of the proposed capital budget are given in Table A11 (a) of this report and shown in chart 4 below. The sources of funding are:
- R83, 394 million from Own funding,
 - R21 million from the sale of land at Rangeview,
 - R5, 096 million from DBSA loan, this is co-funding of MIG project (New 6ML Muldersdrift Reservoir/Section B pipeline).
 - R42, 767 million from MIG (Municipal Infrastructure Grant) – The amount gazetted for MLCM in 2009/10 is R52, 449 million however 3.70% (R1, 941 million) of this amount is allowed to be used for operational expenditure.
 - R18, 800 million from Neighbourhood Development Partnership.
 - R7 million from Gauteng Social Development Department,
 - R900k from SRAC for funding of Libraries,
 - R550k from GOT-Seta, MLCM received R1, 895 million during 2008/09 financial and will spent R1, 657 million and the remaining balance will be rolled over to 2009/10 financial year.

Chart 4: Funding of the Proposed 2009/10 Capital Budget



- 3.2.4 It is proposed that in order to protect the cash position of the municipality, (see section 4.5 of this report) those capital projects that are to be funded from the land sales receipt are not permitted to start until the receipt of the funds by MCLM. This also then means that the Rangeview infrastructure works needs to be undertaken as a priority early in the new financial year in order to release the land sales receipt needed to fund the own-funded capital budget. Likewise, those capital projects to be funded from surplus cash will not be permitted to start until MCLM has actually realised the cash.

Chart 5: 2009/10 Proposed Capital Budget by vote



3.2.5 Table A5 of this report shows the proposed allocation of the total capital budget to individual Departments of the municipality (i.e. the budget votes). This is also illustrated in chart 5 above. A list of the individual capital projects proposed in the budget is given in **schedule 3(a)**.

3.2.6 In addition to capital grant funding discussed above, the municipality is likely to be able to utilise additional land sale proceeds to the value of +/-R250 million to fund the capital budget. Other possible funding could come from a restructuring of the existing loans from DBSA (R16 million). A list of possible capital projects that could be funded from this potential funding source is found in **schedule 3(b)** of this Budget Report. **These capital projects will be added to the capital budget once the funding sources are approved and confirmed through an Adjustment Budget process.**

3.2.7 The Council also supports investment projects within the municipality's boundaries that are totally funded by other government sectors and/or private sector partners. These projects are termed 'out-of-books' projects since the funding for the projects does not flow through Mogale City's bank account. A list of these projects is shown in **schedule 3(c)** of this report. This includes the housing projects that will be undertaken by Province directly instead of MCLM acting as an agent.

3.3 PROPOSED PROPERTY RATES, TARIFFS, AND USER CHARGES FOR 2009/10

Table 3: Property rates tariffs based on the new valuation roll

Category	Tariff	Primary rebate	Secondary rebate	Discount
Agriculture				
Tariff Business	0.0156			
Tariff Agriculture	0.002			
Tariff Residential	0.0078	-15 000	-25 000	40%
Residential	0.0078	-15 000	-25 000	40%
Municipal	0			
PSI	0			
State Owned Property (Non Residential)	0.0156			
Commercial	0.0156			
General	0.0156			
Industrial	0.0156			
State Owned Property (Residential)	0.0078	-15 000	-25 000	40%
Public Benefit Organization	0			
Vacant Properties	0.0312			
Religious	0			
Education	0.0156			
Institution				
Sectional titles				
Industrial	0.0156			
Residential	0.0078	-15 000	-25 000	40%
Business	0.0156			

3.3.1 The new valuation roll has been compiled in terms of the Municipal Property Rates Act. The valuation was opened for inspection and objection from 19 February 2009 to 28 April 2009. Property rates will, with effect from 01 July 2009 be based on the total market value of properties and not only on the site value of land, as is the situation currently. The supplementary valuation roll has been compiled, in line with section 78 of Municipal Property Rates Act, no 6 of 2004. The supplementary valuation roll has been advertised in the newspapers and is open for inspections and objections from the 29th May to the 29th June 2009.

3.3.2 in the determination of the above tariffs an effort was made to keep the overall rates revenue within the projections included in the draft budget.

3.3.3 The value of residential properties increased substantially as a result of the new valuation and will be accorded an exemption of R15, 000 in terms of legislation and a further R25, 000 in terms of the rates policy. A further discount of 40% on the tariff will be accorded to residential properties.

3.3.4 The Ministers of Finance and Provincial and Local Government have issued regulations regarding the upper limits with respect to the ratios between residential regarding the upper limits with respect to the ratios between residential and non-residential properties as they relate to agricultural properties and public service infrastructure properties.

3.3.5 **Table 4: The rate ratios as promulgated by the Ministers are as follows:**

Categories	Ratio in relation to residential property
Residential property	1:1
Agricultural property	1:0.25
Public service infrastructure property	1:0.25

3.3.6 Agricultural properties utilised for business and residential respectively purposes are excluded from the above and charged at the tariff applicable to business and residential respectively. State owned properties other than PSI are levied at the commercial tariffs and excluded from above ratio. The above promulgated ratios mean that the tariffs that will be applicable to agricultural properties will be 25% of the tariff that will be applicable to residential properties. The sliding scale as currently applicable to agricultural properties is not applicable anymore.

3.3.7 All vacant stands will be levied at a tariff four times the residential tariff based on the land value of the property.

Table 5: Increases in tariffs and charges

	2009/10 Proposals
Electricity tariffs	35.83%
Water tariffs	15.3%
Sanitation tariffs	10%
Refuse collection tariffs	10%
Other user charges	8%

- 3.3.8 The increases being proposed for 2009/10 are shown in table 4 for property rates and 5 for other tariffs, and the detailed tariff proposals can be found **table A11** of this report.
- 3.3.9 It should be noted that National Treasury's guideline growth parameters for municipal rates and tariffs is 3% to 6% for 2009/10 (MFMA Circular no. 48 – 02nd March 2009).
- 3.3.10 However National Treasury advises that when municipality revise their tariffs and other charges they should take into account the labour and other input costs of services provided by the municipality, the need to ensure financial sustainability, local economic conditions and the affordability of services. Also taking into consideration the municipalities indigent's policy. MLCM have taken all this factors into consideration when revising the tariffs.
- 3.3.11 other user charge increases by 8%.
- 3.3.12 an amended Rates Policy, in line with the Property Rates is attached in **Annexure 16**.

3.4 KEY BUDGET ISSUES

3.4.1 The key issues in this proposed Budget can be stated to be as follows:

- The operational and capital budget proposed in this Budget Report are cash backed, that is the cash inflows forecast for the year can fund the cash outflows included in the budget. However, in order to make the budget cash backed several projects identified by the 3rd Strategic IDP/Budget Workshop as being of high priority have had to be omitted. In addition, other operational budget savings have been made in order to balance the budget proposals to the cash flow forecast.
- The own-funded capital budget proposed in this Budget Report assumes that infrastructure works at Rangeview are completed timeously as a priority at the start of the new financial year in order to release land sale income of R21 million to be used in funding the own-funded capital budget.
- It is further anticipated that through a process that has already commenced Council will be able to raise +/-R250 million rand in sales of land which funds will be used to fund the unsecured capital projects in **Schedule 3(b)**.
- The timing of capital works to be undertaken from the own-funded capital budget will need to take into account the timing of the receipt of the land sales income and the availability of cash.
- The budget proposals assume a Collection Rate of 93% (i.e. that 93% of billed income will be received) and that the current Collection Rate (91%) will be improved upon through the Revenue Enhancement Strategy.
- The budget proposals assume that increased demand for services in the MCLM area arising from economic growth and increased household demand will amount to 4% annually. However for prudent reasons 3% increase have been assumed.

4. SUPPORTING INFORMATION ON THE BUDGET PROPOSALS

4.1 2009/10 BUDGET PROCESS OVERVIEW

4.1.1 **Legislative requirements:** The Municipal Finance Management Act (MFMA) sets out the key legislative requirements for the municipal budget process. These comprise the following:

Timing: The Mayor must table the annual budget of a municipality at a council meeting at least 90 days before the start of the budget year. The council must consider **approval** of the annual budget at least 30 days before the start of the budget year.

Contents of the budget report: Section 17 of the MFMA sets out the required content of the Budget Report and supporting documentation. In addition, National Treasury published (12th December 2005) detailed guidance on the budget report content and format (MFMA Circular No 28). The key documentation that must be supplied includes:

- Resolution imposing any municipal tax and tariffs for the budget year.
- Resolutions approving measurable performance objectives for revenue from each source and for each vote in the budget.
- Resolutions approving any changes to the municipality's Integrated Development Plan (IDP).
- Resolutions approving any changes to the municipality's budget-related policies.
- Information regarding implications of the proposed tariffs on household accounts.
- Projected monthly cash flow forecast.
- Particulars of municipal investments, grants given to outside bodies, and remuneration packages for Councillors and Senior Managers.

Funding of the budget: Section 18 (1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected.
- Cash-backed accumulated funds from previous years' surpluses not committed for other purposes.
- Borrowed funds but only for the financing of the capital budget.

Consultation on the tabled budget: The budget documentation (prepared in accordance with MFMA circular no 28 – mentioned above) has been made public immediately after being tabled in council on the 26th March 2009 for consultation. This included posting the information on the municipal web site and placing the Budget at the Libraries. The requirements of the MFMA to seek views on the tabled budget from the under mentioned stakeholders was adhered to:

- The local community;
- The relevant district municipality,
- Other local municipalities within the area,
- The relevant provincial treasury,
- National departments, and
- Providers of bulk services.

4.1.2 MFMA: NEW BUDGET AND REPORTING REGULATIONS

- On the 23rd January 2009, the minister of Finance promulgated Government Gazette regulating the compilation of municipal budgets and reporting. On the same gazette there was a list of municipalities that must comply with this regulation effective from 01st July 2009 and Mogale City is one of them.
- The main objective of the regulations is to formalise norms and standards which when applied will improve credibility, sustainability, transparency, accuracy and reliability of municipal budgets. Budgets tables, supporting tables and associated charts were developed to translate the budget regulation requirements into practical outcomes.
- If Council is provided with understandable financial information they will be better able to take informed decisions that promote effective financial management, and that is aligned to service delivery performance. Transparency, accountability and 'understandability' are vital components of this objective. The allocation of financial resources aligned to service delivery targets, with rigorous regular monitoring, is intended to make it abundantly clear what is being promised when budgets are approved, when plans are varied and when actual service delivery achievement is measured against the approved plans.

4.1.3 **2009/10 budget methodology:** The 2008/09 operational Adjustments Budget (approved by Council on the 29th January 2009) has largely been used as the 'base' upon which anticipated inflationary increases have been applied to form the 2009/10 operational budget proposals. Operational growth over and above inflation has also been included and these are shown in 4.1.3 below. In addition items proposed by the Executive Committee and by the 2nd Strategic IDP/Budget Workshop (a meeting of the Executive Committee) have been included in these budget proposals along with proposed savings on the operational budget in order to ensure the proposed budget is cash backed i.e. able to be funded from the estimated cash flow forecast. The proposed items to be included and budget savings proposed are listed below in paragraphs 4.1.7 and 4.1.8.

4.1.4 Operational Budget growth over and above inflation has however been included in the budget proposals, totalling R18, 604 million, on the following items:

- R450k for Youth Development in Mayor's Office,
- R350k for Mayor's Awards
- R1 million for 2010 projects,

- R400k for State of the City Address;
- R350k for Public Participation,
- R300k for 2011 Municipal Elections,
- R12, 357 million for Consultants,
- R2, 897 million for License and Internet link fees,
- R500k for Operational lease of IT Equipment.

4.1.5 It should be noted that the budget for salaries is based on the payroll for January 2009 (i.e. warm bodies actually employed) plus an increase of R4 million for filling of critical posts and the R2, 5 million from SRAC for Libraries. The cost of filling all vacant posts within the existing structure (R403 388 million) would be an extra R52 159 million (2009/10 prices) on top of the employees budget shown in these budget proposals.

4.1.6 The budget for consultant fees was undertaken using a zero based budget approach. The total budget needed for 2009/10 is R14, 357 million comprises of the following:

Economic services	R2, 000, 000
CBD Precinct Plan	R200, 000
Formalization of Township	R1, 800, 000
Integrated Environmental Management	R900 000
State of Environmental Assessment & EMF	R900, 000
Financial Management Services	R3, 287, 229
Infrastructure Asset Management (GRAP 17)	R3, 287, 229
Corporate Support Services	R2, 000, 000
Roll out of the HR Strategy	R2, 000, 000
Municipal Manager's Office	R4, 170, 000
Implementation of BPR Project Outcome	R2, 370, 000
EPR Solution	R1, 800, 000
Infrastructure Services	
Roads & Surface Drainage IMP/SMP	R2, 000, 000

4.1.7 In order to balance the proposed budget to the cash flow forecast (i.e. to ensure that the budget is cash backed) the following projects have been omitted and savings undertaken in these budget proposals as follows:

- The bulk purchase for Electricity has been reduced by R54, 384 million to cater for capital projects for Infrastructure Department, employing more Electricians **and increasing repairs and maintenance by R20, 373 million.**

- The bulk purchase for Water has been reduced by R12, 847 million.
 - The provision for the security contract has been reduced by R3, million to cater for the installation of security systems.
 - Revenue Improvement Projects has been decreased by R1, 9 million.
 - The budget makes provision only R4 million (R6, 5 million including SRAC funding) of new vacant posts to be filled.
- 4.1.8 On the Capital Budget side, the Mayoral Committee Members and Executive Committee Members prioritized capital budget by ranking them at the 2nd Strategic IDP/Budget workshop during March 2009 in line with broad IDP prioritise. The IDP/Budget Implementation team then took into the budget the first two projects presented by Executive Managers of respective Departments as priority linking them to Community needs from November 2008 Public Participation.
- 4.1.9 In order to balance the budget proposals R58, 400 million was apportioned as unsecured capital fund to Departments **(see attached schedule 3(b))**.

4. 2 BUDGET RELATED POLICIES – OVERVIEW AND PROPOSED AMMENDMENTS

- 4.2.1 Various policies approved by Council underpin governance and the financial functioning of the municipality and are relevant to the budget process. The purpose of this section of the Budget Report is to indicate the key policies in this regard and to seek approval for any new or amended policies by Council.
- 4.2.2 The following budget related policies approved by Council for implementation in the 2008/09 financial year remain in force for the 2009/10 financial year:
- Supply Chain Management Policy,
 - Investment, borrowing and cash management Policy, and
 - Write-off policy
- 4.2.3 **Changes are proposed to the 2008/09 Credit Control and Debt Collection Policy as follows:**
- Second paragraph of clause 5.9, Limited collection actions (i.e. Final Letter of Demand) are applied for inactive accounts smaller than R3 000 due to the cost–benefit ratio of such cases and any further action required for these individual accounts is at the discretion of the Chief Financial Office. This clause has been removed.

- For consumer who buys water and electricity from the prepaid vending machine, the municipality may limit the amount of vending for consumers with outstanding accounts and or take a percentage of the amount vended to settle the arrears clause 6.4.7 was added.
- Liquidations and insolvents are recommended to Council for possible write off clause was added on 6.10.1
- Possession clause was added on paragraph 1 and three of clause 6.10.2.
- This clause, the Council reserve the right to hand over any debt irrespective of its aging, was added on 6.11.2.
- The amount of R2000, household and business were removed from clause 6.11.3.1(Collection charges will be levied against a customer in respect of any relevant action taken in terms of, or for the purpose of, the full implementation of this Policy and the associated Bylaw)
- Accounts that are 120 days and above as well as the amount handed over will cease to attract interest clause 6.12.4 was added.
- Tenants clause removed on clause 6.14.1 and an initial payment of 50% of the outstanding debt is required clause was added.
- This will be applicable to tenant and owner consumers. Tenants should obtain letter from the owner granting them permission to enter into an arrangement clause was added.
 - The costs resulting from the legal process are added to the existing arrears on the account and an initial payment of at least one quarter to one third of the total outstanding amount is required to be paid clause was removed on clause 6.14.2.9.
 - Payment for the prepaid meter must be carried by the business and the municipality will notify the owner of the property that a prepayment meter has been installed on his property and why it has been done clause was removed from clause 6.14.3.
- Clause 6.16 the arrangement for the following categories of consumers may be allowed more than sixty months and current accounts to be paid in full was added.
 - Under debt review, administrations and late estate

- This pensioner's rebate will be dealt with in terms of the rate policy clause was added on clause 11.1.

- This clause 11.1 was removed as it will be taken care off by the rates policy.

A person who has reached the age of 60 or more on 30 June 2008, or a person who is physically or mentally disabled and who can prove that he/she receives a social pension, or a person certified by the General Manager: Health Care as being physically or mentally disabled may, in terms of the provisions of section 32(1)(b) of the Local Authorities Rating Ordinance, 1977, receive a remission of 40% on the general assessment rates due for the 2008/09 financial year. The rebate is granted subject to the following conditions:

- The Premier must approve the category of persons in terms of section 32(1) (b) (IV) of the Ordinance.
- The joint income of the applicant and his/her spouse, if any, May not exceed R30000 for the year ended 30 June 2007.
- The rateable property in question may be occupied by only the applicant and his/her spouse, if any, and by dependants with no income, or by certain persons in specific circumstances at the discretion of the Chief Financial Officer.
- There may not be more than two dwellings on the rateable property in question, provided that where there are two dwellings on the property (duet houses); the rebate is only applicable if separate accounts are rendered to the individual owners, subject to the Municipality's conditions for the separation of the account.
- The rateable property in question must qualify for the rebate in terms of section 21(4) of the Ordinance for the 2007/08 financial year.
- The application for remission for the 2007/08 financial year must be received before 30 June 2008 on a form (which will be made available for this purpose by the Chief Financial Officer) and the information furnished must be substantiated by an affidavit by the applicant.
NB: Applications sent by mail must reach the office on or before the closing date. The Municipality does not accept any responsibility/liability for postal items (including registered post) that do not reach us.
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally disabled person, proof of receipt of a social pension or, if no such pension is received, proof of certification by the General Manager: Health Care.
- The applicant's current account must be paid in full.
- If the applicant complies in all respects with these conditions, the amount remitted will be credited on the account and will be included in the monthly levy.
- This rebate is subject to the availability of funds in the 2008/09 financial year.

4.2.4 **Changes are proposed to the 2008/09 Indigent Management Policy as follows: Additions and Amendments to the Policy:**

- **Free Basic Services:** The quantity of services that shall be supplied free of charge to an indigent household, amounting of 6 kl of water per month, 50 kWh free electricity per month subsidized sanitation services, and refuse removal services. Rates will be covered by the Municipality's Property Rates Policy.
- **Child-headed Family:** means a household where the main caregiver of the said household is younger than 18 years of age. Also, a Child-headed household as defined in the section 28(3) of the Constitution.
- **Pensioner:** means a person who is 60 years of age or more.
- **Indigent:** Any household which is responsible for the payment of services and rates, earning a combined gross income equivalent to or less than two times the Government pension grant as prescribed by the National Department of Social Development or in line with the National Indigence Framework issued by the Department Local Government (DLG), who qualify, according to the policy, for rebates/remissions or a services subsidy. Examples hereof include social pensioners, the unemployed and child-headed families who are unable to fully meet their obligations for municipal services consumed and property taxes on their monthly accounts. Any other Government grants received by such households will not be considered as additional income.
- **Rural:** Areas outside the town and related suburbs. In the case of Mogale City, this covers Magaliesburg, Tarlton, Muldersdrift and Hekpoort.
- **Primary Criteria:** In cases where the account holder is deceased, the applicant must produce a Letter of Authority on the property.
Automatic qualification
Consumers with non-vacant properties valued at R40 000 or less automatically qualify as indigents

SPECIAL CASES

- Where the income is above two times the Government pension grant as prescribed by the National Department of Social Development but, on assessment by the Indigent Management Committee, is insufficient to cater for the said household.

PROPERTY OWNERSHIP

- The property of the applicant/ prospective indigent household, in line with the Municipal Property Rates Policy, shall not exceed R460 000, 00.
- Should the applicant sell/ dispose or bequeath their property within 12 months from the date of approval of cancellation of debt, he/she will be liable for all the debt previously cancelled, with interest for months post cancellation.

Comment:

- The applicant should, as part of the application, be willing to give consent for external scans as may be deemed necessary by the Municipality.

SPECIAL PROVISION FOR THE RURAL AREAS

- Though the above Criteria for Qualification require that an applicant have a Municipal account, this Policy makes special provision for low indigent households in the rural communities. These households will benefit from the Indigent Management Programme only through access to free basic water delivered in water tankers. Introduction and sustenance of water tankers will be subject to written permission granted by the land owner. Costs for the water and related tankers will be covered from the Equitable Share.

REPORTING AND QUALITY CONTROL

- Quarterly reports shall be submitted by the Department: Social Services, with financial implications to relevant Portfolio Committees and to the Mayoral Committee on progress made regarding the status of registered indigents.

EXTENT OF MONTHLY INDIGENT SUPPORT

- Credit towards monthly refuse collection charges
- Credit towards monthly sewerage charges, provided this is part of the Municipality's waterborne sewerage system
- The accounts of successful applicants should be flagged and installation of prepaid electricity and water meters should be prioritized.
- The account of an indigent household that applied for an Indigent Grant should be credited with an amount totalling the cost of free basic services as defined in this Policy.
- The Municipality reserves the right to install prepaid meters in all the households classified as indigent.
- **Process Management**
 - Validity Period
Validity period of assistance will be for a maximum period of 24 months. Households will be re-assessed at the end of a 24 months period.
 - Death of Registered Applicant
- **Termination of Indigent Support**
 - End of the 24 months cycle, subject to re-assessment.

4.2.5 Amendments to Rates Policy

- 1) Par 2.14: Definition of Independent Schools deleted as it is not relevant
- 2) Par 8.1.b: Criteria for Pensioners Rebated amended: Income R60 000pa and no limit to property value.
- 3) Par 13.1.a. Residential rebate increased from 35% to 40%
- 4) 13.1.b. Farm properties: Sliding scale deleted due to application of new regulations on ratios.

4.3 BUDGET ASSUMPTIONS

- 4.3.1 **Introduction:** This section of the Budget Report provides a comprehensive summary of all the assumptions used in preparing the budget proposals. Budgets are prepared in an environment of uncertainty and assumptions need to be made about both internal and external factors that could impact on the budget during the course of the financial year.
- 4.3.2 It should also be noted that uncertainty increases the longer one looks ahead: thus the forecasts for the two outlying years, 2010/11 and 2011/12 are not budgets but just estimates
- 4.3.3 **National economic outlook:** Domestic GDP growth is projected to slow to 1, 2% in 2009 from estimated 3.1% in 2008. The period of slower growth ahead is likely to be characterised by rising unemployment, declining business profitability and the closure of some companies. (MFMA circular no.48, 02nd March 2009).
- 4.3.4 **Local population growth and local economic factors:** The budget proposals assume that local economic growth (and growth in household demand) within the Mogale City Local Municipality area will be at the national GDP growth forecast by National Treasury. Thus the budget proposals include a 3% annual growth in bulk purchases made by the municipality and a 3% annual increase in electricity, water, and property rates income.
- 4.3.5 **National Inflation forecasts:** National Treasury advises that the Consumer Price Index (CPIX) is forecast to be 5.4% for 2009/10, 5.1% for 2010/11, and 4.6% for 2011/12. (MFMA circular no.48, 02nd March 2009).
- 4.3.6 **Price inflation included in the budget proposals:** The following have been included in MCLM's budget proposals:
- **General expenditure and R&M:** Most other general expenditure budget items and the repairs and maintenance budgets have been increased from the proposed 2008/09 Adjustments Budget figure by 11.1% for 2009/10(**See attach schedule 2 for other general expenses**). The current average CPIX for the twelfth month is forecasted to be 10,1% however the inflationary increase in 2009/10 financial year is 11,1% and 5,3% and 4,7% for the two outer years in line National Treasury's forecast CPIX inflation.
 - **Fuel and Oil:** Fuel and Oil inflation for the month of March 2009 shows increase of 7% and year-on-year a decline of 14, 9%, however due to the unpredictability of future global oil prices and unstable Rand; we recommend an annual 15% increase for this line item.

- **Municipal Services**: these budgets are for paying the cost of electricity and water used in municipal buildings. The budgets have been increased by 8%.

- 4.3.7 **Price movements on bulk purchases**: Based on correspondence received from Rand Water, the 2009/10 budget has included a price increase of 15.3% for bulk water purchases. National Treasury advises municipalities to budget for a 25% increase in bulk electricity purchases. This is an increase from April 2009 which is the beginning of Eskom financial year. The municipality will be able to increase tariff from 01st July 2009. Therefore the 25% Eskom increase will be higher for Municipalities since Eskom is required to recover their budgeted revenue over only 9 months and not 12 months. The effective increase from Eskom to Municipality will then be 33, 33%. The Annexure to MFMA Circular no.48 makes provision for an increase of 34%.
If NERSA tables a revised electricity pricing structure before 01st July 2009, municipalities will be required to adjust their budgets accordingly.
- 4.3.8 **Increase on salaries and allowance**: Employee salaries and contributions have been increased by 15% based on the discussion at SALGA (South African Local Government Bargaining Council) level. The 15% increase is excluding Section 57 officers. South African Local Government Bargaining Council (SALGA) and labour movements are currently negotiating.
- 4.3.9 The increases for the section 57 employees shall be in accordance to their employment contracts.
- 4.3.9 **Increase on Councillor Allowances**: An increase of 11% has been allowed for in the 2009/10 budget for Councillors Allowances. This is in line with most recently gazetted Remuneration of Public Office Bearers Act (R1319).
- 4.3.10 **Indigents Registration and Approval**: The budget makes provision for a further 3000 indigents to be registered, currently the approved indigents is +/- 7000 households, and are receiving free basic services.
- 4.3.11 **Overtime and Leave Payments**: The amounts for these items in this proposed budget are same as 2008/09 Adjustment Budget. The existing overtime policy should be adhered in order to ensure that overtime payments are limited to those that are strictly necessary to ensure service to the public and are in compliance with relevant legislative requirements. The budget for leave payments only makes provision for payments to those who are retiring or resigning.

4.3.13 **Depreciation:** Depreciation is a charge made to the operational budget for 'using up' the capital assets employed by the municipal services. It is not an actual cash cost to the municipality. The budget estimate for depreciation for 2009/10 and onwards is guess estimate. The full implementation of depreciation will only occur once the municipality's asset register is fully completed and valued. The 2009/10 estimate is based on the depreciation calculation in the 2007/08 Financial Statements.

4.3.14 **Interest rates for borrowing:** The current bank base rate for long-term borrowing is 12%. The cost to an organisation of borrowing is either higher or lower than this base rate depending on its credit rating. This budget makes no provision for the Council to enter into new loan.

4.3.15 **Collection rates for main revenue sources:** Provision for the non-receipt of billed income has been made in the budget (this is called the working capital budget). It has been assumed that of the total income budget, excluding grant income, 93% will be received as actual income. The proportion of income received as compared to the total revenue budget has varied from 85% to 94% in the last three financial years. The average collection rate as at the end of April 2009 is 92%. The Municipal Finance Management Department is aware that a Collection Rate of 93% is a high target which may be difficult to attain and maybe seen as going against the MFMA requirement that the budget must be based on 'realistically anticipated revenues to be collected'. The Department is however confident that the current Revenue Enhancement Project led by the CFO will continue to yield positive results and increase MCLM's Collection Rate.

4.4 FUNDING THE BUDGET

4.4.1 **Key funding sources for Operating Budget:** The Operating Budget is funded largely from the main tariffs i.e. Property Rates, Electricity, Water and Sanitation as well as Refuse Removal generating a billed income of R904 963 million or 75% of the total operating revenue. Another key funding source (17% of overall operating funding) is government grants - of which Equitable Share amounts to of R132, 729 million in 2009/10.

4.4.2 **Funding sources for the Capital Budget:** The confirmed-to-date Capital Budget is funded largely from grants from other spheres of government (the most important of which is MIG (Municipal Infrastructure Grant) which amounts to R42, 767 million for 2009/10. The own-funded capital budget is proposed to be funded from surplus cash of R66, 294 million from savings identified in operational budget, DBSA loan of R4,910 million (roll over from 2008/09), land sales income R21 million, R17 million from DLG for basic water & sanitation targets which is roll over from 2008/09. R7 million from Gauteng Department of Social Development, R900k from SRAC and R550k from GOT-Seta.

- 4.4.3 **Property Rates:** The value of residential properties increased substantially as a result of the new valuation and will be accorded an exemption of R15, 000 and a further R25, 000 in terms of the rates policy. In modelling of the tariffs an effort was made to spread the effect of the new rating system. The intention of the Municipal Property Rates Act was to spread the rating equitably among property owners. The approach was to ensure that the overall revenue from rates is not reduced and also that the revenue is not unreasonably increased.

Table 6: Property Rates Revenue 2007/08 to 2011/12

	2007/08 Pre-audited actual	2008/09 Original Budget	2008/09 Adjusted Budget	2009/10 Proposed Budget	2010/11 Forecast	2011/12 Forecast
	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s
Revenue budget	136 631	153 789	151 124	242 742	278 743	306 617
Revenue foregone	0	0	0	62 238	80 187	88 206
Total	136 631	153 789	151 124	180 505	198 555	218 411
Tariff Increase	6%	8%	8%	19.44%	10%?	10%?

- 4.4.4 **Electricity sales:** The 2009/10 proposed tariffs for electricity has assumed 35.83% increase. A 2.5% surcharge over and above Eskom's increase is requested to improve the financial status of the Municipality Electricity distribution services to create a transparent and separate surcharge for electricity. The present tariff structure does not make sufficient provision for refurbishment and no provision for extensions and upgrading. The Municipal Fiscal Power and Function Act of April 2008 make provision for such surcharges. It must be noted that some categories will only be increased by 29% due to the change in the tariff objectives from demand to consumption control. (**See attach report from Infrastructure Services for more details**).

Table 7: Electricity Revenue 2007/08 to 2011/2012

	2007/08 Pre-audited actual	2008/09 Original Budget	2008/09 Adjusted Budget	2009/10 Proposed Budget	2010/11 Forecast	2011/12 Forecast
	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s
Revenue Budget	233 146	323 677	329 727	447 868	559 835	699 794
Tariff Increase	11.79% to 8.98%	35.9%	35.9%	35.83%	25%	25%
Bulk Purchases Electricity	140 345	182 172	182 172	199 000	330 140	386 561

- 4.4.5 **Water sales:** The proposed increase to the water tariff is 15.3%. The structure of the tariff remains the same as in previous years i.e. “a step tariff” based on increased cost for increased usage. This is a payment mechanism which allow for the provision of the 6kl free basic water to all consumers within the MCLM area but also encourage the saving of water as a scarce resource, as the more you use the more you pay.

Table 8: Water Revenue 2007/08 to 2011/12

	2007/08 Pre-audited actual	2008/09 Original Budget	2008/09 Adjusted Budget	2009/10 Proposed Budget	2010/11 Forecast	2011/12 Forecast
	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s
Revenue Budget	180 080	140 875	137 903	163 139	188 099	216 878
Tariff Increase	6%	8%	8%	15.3%	15.3%	15.3%
Bulk Purchases Water	83 560	88 536	87 525	97 849	124 058	143 039

- 4.4.6 **Sanitation charges:** The proposed increase to the sanitation tariff is 10%. The Proposed Budget and forward forecasts do not make provision for any change in the methodology for charging for this service (i.e. moving to a volumetric charging methodology).

Table 9: Sanitation Revenue 2007/08 to 2011/12

	2007/08 Pre-audited actual	2008/09 Original Budget	2008/09 Adjusted Budget	2009/10 Proposed Budget	2010/11 Forecast	2011/12 Forecast
	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s
Revenue Budget	50 588	49 915	55 663	61 229	66 127	71 418
Tariff Increase	6%	8%	8%	10%	10%	10%

- 4.4.7 **Refuse Collection charges:** The proposed increase to the Refuse Removal Tariff for the 2009/10 financial year is 10%

Table 10: Refuse Collection Revenue 2007/08 to 2011/12

	2007/08 Pre-audited actual	2008/09 Original Budget	2008/09 Adjusted Budget	2009/10 Proposed Budget	2010/11 Forecast	2011/12 Forecast
	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s
Revenue Budget	45 413	49 898	47 475	52 222	56 400	60 912
Tariff Increase	6%	8%	8%	10%	10%	10%

- 4.4.8 **Other Charges:** An 8% average increase for the remaining general tariffs and other user charges is proposed in the tariff schedule. Tariffs for traffic fines and licence permits have not increased from the current year's charges as Mogale City Local Municipality does not itself set these charges.

- 4.4.9 **Investments:** The municipality currently has some R88, 972 million of investments (as at end of April 2009). R56, 405 million of these investments are held as security against long-term "bullet" loans and will be used in the future to repay these loan amounts.

- 4.4.10 **Sale of assets:** The capital budget proposed in this report includes the provision of infrastructure at Rangeview. Once this is achieved this will release R21 million land sale income. It is proposed that this income is utilised to partly fund the municipality's own-funded capital budget for 2009/10.

4.5 CASH FLOW FORECAST

- 4.5.1 It is projected that the new financial year will be kicked off with a zero balance.
- 4.5.2 We project to start the year with zero balance cash / cash equivalents and project an average collection rate for the coming financial year of 93%. Based on these assumptions the projected income for the year exceeds the projected expenditure for the year by R314k.
- 4.5.3 The average collection rate for main tariffs for the current financial year to date is 92%. When other income is added the collection rate is decreased to only 90%.
- 4.5.4 It is suggested that the proposed expenditure levels are maintained and not be increased at this stage. In the light of the current economic environment and looming recession it would be prudent to budget for a higher than normal cash in hand buffer as the said economic circumstances may cause the proposed collection rate of 93% not to be achieved. Therefore Mogale City will have to monitor its operational expenditure closely and safe as much as possible, curb all non essential and non service delivery expenditure and ensure that the budgeted collection rate is achieved to enable the municipality to function efficiently and deliver services to the community.
- 4.5.6 It is recommended that Mogale City's proposed operating and own funded capital budget is maintained for the time being and if the collection rate of 93% is proved to be achievable and maintainable, the surplus that may become available could then be utilized to motivate an increase in the own funded capital budget at the time when the municipality considers its adjustments budget.
- 4.5.5 A full annual cash flow forecast, including budgeted cash flow forecasts per revenue source and key expenditure grouping, is shown in **Table A7**.

4.6 DISCLOSURE ON ALLOCATIONS MADE BY THE MUNICIPALITY

- 4.6.1 Section 17 (j) of the MFMA requires the municipality to disclose in its budget documentation the amounts of any proposed allocations or grants by the municipality to other municipalities, municipal entities, other organs of state or any outside body/organisation. The Council allocates grants-in-aid, discretionary grants, and grants by councillors (included in the operating budget) on an annual basis to needy organisations, based on business plans indicating the proposed usage of such funds.

4.7 DISCLOSURE ON THE IMPLEMENTATION OF THE MUNICIPAL FINANCE MANAGEMENT ACT (MFMA) AND OTHER LEGISLATION

4.7.1 **Municipal Finance Management Act (MFMA):** The municipality is classified as high-capacity by National Treasury with respect to the municipal financial management reforms required by the MFMA. An MFMA Project Implementation Plan was established during May 2006 with the following overall objectives (they are not in any order of priority ranking):

1. Establish and maintain project management structures and processes for managing and monitoring the MFMA Project Implementation Plan.
2. Build and enhance financial management capacity at MCLM.
3. Improve performance management processes.
4. Improve financial systems.
5. Improve the IDP/Budget/SDBIP process.
6. Improve end-of-year (annual) reporting.
7. Improve in-year financial reporting.

4.7.2 The progress made during 2008/09 on these objectives is given below:

Objective 1: Establish and maintain project management structures and processes for managing and monitoring the MFMA Project implementation Plan

The Manager: Budget & Treasury is now the MFMA Project Manager. The MFMA Project Steering Committee meets monthly and its membership was increased during the year to include all the new Executive Managers (representatives from the departments are sent if the Executive Manager is unable to attend) and all Member of Mayoral Committee.

Objective 2: To build and enhance financial management capacity at MCLM

There are three sub-objectives for this: namely:

- To appoint the necessary municipal officials who are key to the implementation of the MFMA: All key posts within Budget & Treasury are filled. One Budget Coordinator was appointed as a Financial Statements Specialist. The vacant posts for Budget Coordinator will be filled before the end of financial year.
- To develop elected members and officials: A multimedia interactive MFMA training package is just about to be rolled out at Mogale City Local Municipality to all Councillors and most of the staff. The progress report will distributed separately.
- To have a Financial Management Internship Programme: Mogale City appointed five new Financial Management Interns on 1st January 2008 for a period of two years. These posts are funded through the Financial Management Grant (FMG) received from National Treasury.

Objective 3: to improve performance management processes: This objective was not tackled during 2008/09.

Objective 4: To improve financial systems: This objective relates to the implementation of BIQ. This was largely completed during 2007/08.

Objective 5: To improve the IDP/Budget Process: The Executive Mayor has tables at Council a time schedule outlining key deadlines for preparing, tabling and approving the budget, reviewing the IDP (as per section 34 of the MSA) and budget related policies, preparation of the SDBIP and the public consultation process to be undertaken.

The improvements made in the May 2007/08 Budget Report has been sustained in this year's Budget Report. Mogale City Local Municipality now meets many of the MFMA requirements relating to the documentation and information to be contained within the budget report. The following are the most significant areas that MCLM does not currently comply with:

- Proper estimates for years two and three, particularly for the capital budget,
- measurable performance indicators for each revenue source and budget vote,
- the inclusion of key financial indicators and forecasts,
- statements showing the budget using National Treasury's service classification system (GIS),
- a statement showing the links between the budget and IDP, and
- Budgeted financial statements in the new GRAP format.

Objective 6: To improve end-of-year (annual) reporting: The sub-objectives for this area of work are to:

- 'Catch-up' on the production and audit of the Financial Statements and Annual reports so that MCLM is up-to-date. All outstanding Financial Statements have been submitted for audit to the auditor-General. The 2007/08 Financial Statements and 2007/08 Annual Report were tabled at council on the 29th January 2009 for noting.
- Change the format and content of the 2007/08 Financial Statements so that they are compliant with GRAP (Generally Recognised Accounting Practices). The 2007/08 Financial Statements were prepared in accordance to GRAP except for the recognition of Infrastructure assets and Impairment Loss
- Improve the 2007/08 Annual Report to bring it more in line with National Treasury's best-practice guidelines. This has been achieved. The 2007/08 Annual Report was tabled at Council on the 29th January 2009.

- To produce the “Oversight Report” - for the 2006/07 Annual Report. The Oversight Report is a statutory MFMA requirement. A report will be tabled at Council on 27th March 2009 outlining a process for producing the Oversight Report.

Objective 7: To improve in-year financial reporting:

No new work was undertaken on this objective during 2008/09 after significant changes were made to the budget monitoring report prior to 2007/08. Further changes in this area we still required and these will need to be implemented during 2008/09. The five key changes still needed are as:

- Compliance with MFMA section 71 (1) (g) which requires that a projection (i.e. an estimate) of the expenditure and revenues for the rest of the financial year is given.
- The establishment of regular monthly budget monitoring meetings (for both the operational and capital budget) between the Budget Office and Departments just prior to the financial monitoring report being produced.
- The production of year-to-date financial statements.
- Obtaining more relevant and more detailed financial data from the BIQ financial system (once fully implemented) to monitor revenue collection performance.
- However of the five key changes one was achieved during 2007/08: The establishment of regular monthly budget monitoring meetings (for both the operational and capital budget) between the Budget Office and Departments just prior to the financial monitoring report being produced.

- 4.7.3 **Property Rates Act:** In terms of the Local Government: Municipal Property Rates Act, Number 6 of 2004, all municipalities in South Africa is to levy rates and taxes based on the new Act. Therefore, Mogale City Local Municipality (MCLM) like any other municipality should conduct valuations on all rateable properties on 1st July 2009.

In light of the above, the new valuation roll has been compiled in terms of the MPRA. The valuation was opened for inspection and objections from 19 February 2009 to 28 April 2009. **For more details on tariffs based on new valuation roll see section 3.3 (page 11-12).**

MCLM 2009/10 PROPOSED BUDGET BY TYPE					SCHEDULE 1
ANALYSIS OF MAJOR TYPES OF EXPENDITURE AND REVENUE ON OPERATING BUDGET					
	CURRENT		MEDIUM TERM REVENUE EXPENDITURE FRAMEWORK (MTREF)		
	2008 / 2009	2008/2009	2009/2010	2010/2011	2011/2012
	APPROVED BUDGET	APPROVED ADJUSTMENT			
	2008/09	BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET
EMPLOYEE/ COUNCILLORS RELATED COST					
Employee Salaries and Allowances	205 431 855	204 169 882	240 000 049	275 862 057	317 241 365
Employee Social Contributions	49 628 297	51 337 943	61 377 128	70 583 697	81 171 252
Annual Bonus	13 824 685	13 471 113	16 075 981	18 487 379	21 260 485
Overtime	10 000 000	15 743 146	15 043 147	17 299 619	19 894 562
Pensioners-Medical Aid contribution	3 133 063	3 969 153	4 564 526	5 249 205	6 036 586
Leave Payments	6 000 000	6 600 000	6 600 000	7 590 000	8 728 500
Performance Bonus(Section 57)	1 085 300	965 760	1 068 271	1 228 512	1 412 789
Vacant posts	6 496 465	5 619 065	6 500 000	0	0
TOTAL EMPLOYEE RELATED COST	295 599 665	301 876 063	351 229 103	396 300 469	455 745 539
Remuneration of councillors	15 729 062	15 729 062	15 518 138	17 069 951	18 776 946
TOTAL REMUNERATION OF COUNCILLORS	15 729 062	15 729 062	15 518 138	17 069 951	18 776 946
TOTAL EMPLOYEE/ COUNCILLORS RELATED CO	311 328 727	317 605 124	366 747 241	413 370 420	474 522 486
GENERAL EXPENSES					
Purchases of Electricity	182 171 938	182 171 938	199 000 000	296 750 469	371 000 120
Purchases of Water	88 536 484	87 524 707	97 849 102	117 820 014	135 846 476
Bulk Sewer	1 313 499	1 906 091	2 117 668	2 229 904	2 334 709
System Support	1 591 978	6 264 327	8 813 927	8 863 876	9 242 879
Audit Fees	893 576	1 135 024	2 000 000	1 327 846	1 390 254
Connections Via Contractor(Electricity & Water)	4 278 950	5 751 369	6 389 771	6 728 429	6 728 429
Consultant Fees	19 378 909	13 081 516	20 462 189	1 821 002	1 821 002
Indigents Management Consultant	1 647 176	0	1 647 176	1 734 476	1 815 997
Security	10 800 000	6 002 625	7 782 916	7 983 070	7 983 215
Indigent Subsidies	3 518 460	4 661 383	5 141 370	9 830 515	10 292 549
Grants and Subsidies Paid	783 321	783 321	1 220 270	1 284 944	1 345 336
Skills Levy	2 535 129	2 833 568	3 258 604	3 431 310	3 592 581
Special Projects	3 735 523	9 034 612	4 538 083	8 882 207	8 882 207
Special Projects: 2010 Projects	-	0	1 000 000	-	-
IDP/Budget Public Participation	-	70 000	350 000	368 550	385 872
Bank Charges	2 721 370	2 447 893	2 719 609	2 863 749	2 998 345
Cell Phones	922 629	1 016 123	1 138 915	1 199 277	1 255 643
License Fees: Computers	1 657 264	1 657 264	420 707	443 005	463 826
Implementation of Property Rates Act	10 668 068	10 665 935	0	0	0
Electricity Consumption	3 477 091	3 498 483	4 551 989	5 689 986	7 112 483
Insurance Premiums	3 422 495	3 300 644	3 667 015	3 861 367	4 042 852
Provision for contingency liabilities	2 043 337	2 489 709	3 500 000	0	0
Municipal Charges	4 501 450	4 501 450	8 536 033	9 218 916	9 956 429
Vehicle Leases	12 517 395	10 373 575	11 025 042	12 135 869	12 706 255
Oil and Fuel: Transport	8 094 000	9 494 942	10 919 184	12 011 102	13 212 212
Lease: Office Equipment	4 200 000	2 700 000	5 000 000	5 000 000	5 000 000

MCLM 2009/10 PROPOSED BUDGET BY TYPE					SCHEDULE 1
ANALYSIS OF MAJOR TYPES OF EXPENDITURE AND REVENUE ON OPERATING BUDGET					
	CURRENT		MEDIUM TERM REVENUE EXPENDITURE FRAMEWORK (MTREF)		
	2008 / 2009	2008/2009	2009/2010	2010/2011	2011/2012
	APPROVED BUDGET 2008/09	APPROVED ADJUSTMENT BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET
Lease: IT Equipment	-	0	500 000	930 000	1 200 000
Purchase & Distribution of 240 litre bins	361 554	1 561 554	1 634 886	1 721 535	1 802 448
Rentals: Other	3 870 634	10 877 063	14 291 673	14 906 693	15 416 362
Rental Vacuum Tanks	1 593 000	593 000	2 921 851	2 921 851	2 921 851
Rental Water Tanks	3 822 654	3 822 654	4 246 969	4 472 058	4 682 245
Revenue Improvement Project	3 500 000	3 998 400	4 000 000	4 212 000	4 409 964
Telephones & Faxes	6 984 245	7 985 080	8 871 424	9 341 609	9 780 665
Water Consumption	114 451	114 451	131 962	141 463	151 649
Overseas Travel	675 576	849 393	543 676	582 821	610 213
Workmens Compensation	1 062 000	562 000	1 062 000	1 062 000	1 062 000
Other General Expenses	23 329 350	27 184 469	42 031 857	38 549 963	39 852 872
Upgrade of Computer Equipment : DAC Funding	1 909 809	695 938	0	0	0
WRDM: ICT SYTEM	5 000 000	5 000 000	1 900 000	0	0
GENERAL EXPENSES	427 633 314	436 610 503	495 185 867	600 321 878	701 299 939

MCLM 2009/10 PROPOSED BUDGET BY TYPE			SCHEDULE 1		
ANALYSIS OF MAJOR TYPES OF EXPENDITURE AND REVENUE ON OPERATING BUDGET					
	CURRENT		MEDIUM TERM REVENUE EXPENDITURE FRAMEWORK (MTREF)		
	2008 / 2009	2008/2009	2009/2010	2010/2011	2011/2012
	APPROVED BUDGET 2008/09	APPROVED ADJUSTMENT BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET
			-	-	
REPAIR AND MAINTENANCE					
Buildings	3 990 550	4 888 113	10 700 000	13 689 869	17 379 524
Machinery & Equipment	21 676 758	19 314 622	1 078 281	1 135 429	1 188 795
Roads & Stormwater Maintenance	-	0	12 028 259	12 665 756	13 261 047
Water & Sanitation Network Material	-	0	14 127 779	14 876 551	15 841 837
Mechanical Repairs and Tyres	5 689 013	4 957 399	5 946 747	6 261 925	6 556 235
Ringfence R&M for electricity	16 183 874	17 764 016	14 569 990	15 342 200	16 063 283
Streetlights and Traffic lights	-	0	9 000 000	9 477 000	9 922 419
Other Repairs and Maintenances	6 029 547	6 718 780	7 464 565	7 860 187	8 229 616
TOTAL REPAIR AND MAINTENANCE	53 569 742	53 642 930	74 915 621	81 308 918	88 442 757
			0	-	-
INTERNAL CHARGES-GENERAL					
Charge Inns	50 606 999	50 606 999	50 606 999	50 606 999	50 606 999
Charge Outs	-50 606 999	-50 606 999	-50 606 999	-50 606 999	-50 606 999
Time Sheets	-5 142 031	-5 639 359	-5 857 033	-5 857 033	-5 857 033
INTERNAL CHARGES-GENERAL	-5 142 031	-5 639 359	-5 857 033	-5 857 033	-5 857 033
DEPRECIATION & FINANCE CHARGES					
Depreciation - Existing Assets	4 620 670	4 620 670	5 275 505	5 555 107	5 816 197
External Interest Payments - Existing	26 699 770	29 145 830	24 934 636	20 994 321	19 478 733
External Interest Payments - New Capital Budge	2 980 299	0	0	0	0
DEPRECIATION & FINANCE CHARGES	34 300 739	33 766 500	30 210 141	26 549 428	25 294 930
RECOVERABLES					
Recoverables	14 184 254	16 378 919	8 814 296	0	0
Recoverables (Housing Projects)	6 386 410	1 500 000	0	0	0
TOTAL RECOVERABLES	20 570 664	17 878 919	8 814 296	0	0
TRANSFER TO AND FROM PROVISIONS					
Transfer to Working Capital	104 916 643	64 970 203	72 397 046	85 521 356	88 718 885
Transfer to Asset Finance Management(Own funded Capex)	30 486 000	30 390 918	104 394 172	108 239 878	152 838 518
Bulk Contribution Infrastructure Capital Project	0	0	13 467 591	0	0
Transfers Recognised - Capital	0	0	70 017 216	66 914 542	75 415 978
TOTAL TRANSFER TO AND FROM PROVISIONS	135 402 643	95 361 121	260 276 025	260 675 776	316 973 381
TOTAL EXPENDITURE	977 663 798	949 225 739	1 230 292 157	1 376 369 387	1 600 676 459

MCLM 2009/10 PROPOSED BUDGET BY TYPE					SCHEDULE 1
ANALYSIS OF MAJOR TYPES OF EXPENDITURE AND REVENUE ON OPERATING BUDGET					
	CURRENT		MEDIUM TERM REVENUE EXPENDITURE FRAMEWORK (MTREF)		
	2008 / 2009	2008/2009	2009/2010	2010/2011	2011/2012
	APPROVED BUDGET	APPROVED ADJUSTMENT			
	2008/09	BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET
INCOME					
PROPERTY RATES	-153 789 594	-151 123 875	-180 504 664	-198 555 131	-218 410 644
SERVICE CHARGES-ELECTRICITY REVENUE	-313 191 900	-316 105 191	-429 365 681	-536 707 102	-670 883 877
SERVICE CHARGES- PREPAID: ELECTRICITY	-10 485 581	-13 621 806	-18 502 499	-23 128 124	-28 910 155
SERVICE CHARGES- WATER REVENUE	-135 553 046	-130 420 793	-154 287 798	-177 893 831	-205 111 588
SERVICE CHARGES- PREPAID: WATER	-5 321 707	-7 481 991	-8 851 195	-10 205 428	-11 766 859
SERVICE CHARGES- REFUSE	-49 897 947	-47 474 718	-52 222 190	-56 399 965	-60 911 962
LANDFILL SITE FEES	-2 609 644	-2 457 979	-2 654 618	-2 654 618	-2 654 618
SERVICE CHARGES- SANITATION REVENUE	-49 914 794	-55 662 771	-61 229 048	-66 127 372	-71 417 561
RECONNECTION FEES: ELECTRICITY	-8 465 363	-10 348 942	-10 348 942	-10 348 942	-10 348 942
RECONNECTION FEES: WATER	-10 548 437	-42 447	-42 447	-42 447	-42 447
RIP OF ELECTRICITY AND WATER CABLES	-1 800 000	0	0	0	0
RENT OF FACILITIES	-5 904 780	-3 522 969	-3 804 808	-4 071 145	-4 071 146
INTEREST EARNED-EXTERNAL INVESTMENTS	-3 555 758	-3 529 578	-2 400 000	0	0
INTEREST EARNED-OUTSTANDING DEBTORS	-7 180 174	-7 180 174	-1 952 164	-2 088 815	-2 235 033
FINES: TRAFFIC	-8 000 000	-11 460 439	-17 025 812	-17 025 812	-17 025 812
LICENCES	-7 933 144	-10 204	-11 021	-11 792	-12 618
INCOME FOR AGENCY SERVICES	-4 529 431	-4 529 431	-12 743 848	-12 743 848	-12 743 848
EQUITABLE SHARE	-101 826 000	-106 975 390	-132 729 000	-167 331 000	-183 456 000
HEALTH SUBSIDY	-8 200 000	-8 200 000	-8 856 000	-9 475 920	-9 475 920
SRAC	-4 500 000	0	0	0	0
MIG(PMU)	-2 080 784	-2 648 093	-2 677 886	-2 020 458	-2 430 021
FMG Grant	-641 000	-641 000	-891 000	-1 000 000	-1 250 000
WATER DEMAND MANAGEMENT GRANT(DWAF)	-955 783	-955 783	0	0	0
MUNICIPAL SYSTEM IMPROVEMENT GRANT(DPLG)	-400 000	-300 000	-400 000	-750 000	-790 000
SETA(TRAINING GRANTS) OPEX	-1 000 000	-239 161	-399 973	-949 973	-949 973
SETA(TRAINING GRANTS) CAPEX			-550 000	-	-
BKB PRIZE MONEY	-331 897	-331 897	0	0	0
WRDM: SUPPLEMENTARY & HIV FUNDING	-1 415 386	-1 415 386	-900 000	0	0
WRDM: BIQ FUNDING	-	0	0	0	0
WRDM : UPGRADE OF ICT SYSTEM	-5 000 000	-5 000 000	-1 300 000	0	0
SRAC: LIBRARIES FUNDING(OPEX)	-1 260 191	-3 344 191	-3 379 000	-	-
SRAC: LIBRARIES FUNDING(CAPEX)			-900 000	-4 209 000	-4 209 000
DEPT OF SOCIAL DEVELOPMENT	-1 470 994	0	0	0	0
RESTRUCTURING GRANT	-1 572 915	-1 572 915	0	0	0
HOUSING PROJECTS	-6 386 410	-1 500 000	0	0	0
MIG: CAPITAL GRANT	0	0	-42 767 216	-59 205 542	-71 206 978
NDPG: CAPITAL GRANT	0	0	-18 800 000	0	0
DPLG: WATER TARGETS	0	0	0	0	0
WRDM: CAPITAL GRANT	0	0	0	0	0
DEPT OF SOCIAL DEVELOPMENT: CAPITAL GRANT	0	0	-7 000 000	-3 500 000	0
DEPT OF HEALTH DEVELOPMENT: CAPITAL GRANT	0	0	0	0	0
GAINS ON DISPOSAL OF PPE: LAND SALE	-31 040 724	-21 412 952	-21 000 000	0	0

MCLM 2009/10 PROPOSED BUDGET BY TYPE				SCHEDULE 1	
ANALYSIS OF MAJOR TYPES OF EXPENDITURE AND REVENUE ON OPERATING BUDGET					
	CURRENT		MEDIUM TERM REVENUE EXPENDITURE FRAMEWORK (MTREF)		
	2008 / 2009	2008/2009	2009/2010	2010/2011	2011/2012
	APPROVED BUDGET 2008/09	APPROVED ADJUSTMENT BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET
BULK CONTRIBUTIONS: DEVELOPER CONTRIBUTION	-2 708 808	-4 244 585	-13 467 591	0	0
SERVICE CONNECTIONS(RECOVERABLES)	-14 184 254	-16 378 919	-8 814 296	0	0
BUILDING PLAN FEES	-4 145 458	-1 944 158	-2 099 691	-2 099 691	-2 099 691
CEMETARY FEES	-1 510 738	-1 445 801	-1 561 465	-1 561 465	-1 561 465
OTHER OPERATING REVENUE	-8 351 156	-5 702 199	-5 852 305	-6 261 966	-6 700 304
TOTAL INCOME	-977 663 798	-949 225 739	-1 230 292 158	-1 376 369 386	-1 600 676 459
(SURPLUS) / DEFICIT	-0	-0	-0	0	-0

2009/2010 PROPOSED SECURED IDP LINK CAPITAL PROJECTS BUDGET								SCHEDULE 3(a)		
CAPITAL BUDGET	FUNDING SOURCE:OWN FUNDING	FUNDING SOURCE:DBSA LOAN	FUNDING SOURCE:MIG	FUNDING SOURCE:NDPG	FUNDING SOURCE:SRAC	FUNDING SOURCE:DEPART OF SOCIAL DEVELOP	FUNDING SOURCE: GOT- SETA	2009/10	2010/11	2011/12
POLITICAL OFFICES	504 000	0	0	0	0	0	0	504 000	0	0
MAYOR' S OFFICE	60 000	0	0	0	0	0	0	60 000	0	0
MUSIC SYSTEM	5 000	0	0	0	0	0	0	5 000	0	0
DVD PLAYER	1 200	0	0	0	0	0	0	1 200	0	0
VIDEO CAMERA	4 000	0	0	0	0	0	0	4 000	0	0
FURNITURES-DESK, CHARS, CABINET	29 800	0	0	0	0	0	0	29 800	0	0
CHIEF WHIP FURNITURE	20 000	0	0	0	0	0	0	20 000	0	0
TOTAL MAYOR	60 000	0	0	0	0	0	0	60 000	0	0
SPEAKER	444 000	0	0	0	0	0	0	444 000	0	0
OFFICE FURNITURES	144 000	0	0	0	0	0	0	144 000	0	0
UPGRADING OF WARD OFFICES	300 000	0	0	0	0	0	0	300 000	0	0
TOTAL SPEAKER	444 000	-	-	-	-	-	-	444 000	-	-
PROJECT MANAGEMENT OFFICE	2 500 000	0	0	0	0	0	0	2 500 000	0	0
INFORMATION TECHNOLOGY	2 500 000	0	0	0	0	0	0	2 500 000	0	0
NETWORK CAPACITY UPGRADE	1 000 000	0	0	0	0	0	0	1 000 000	0	0
PERFORMANCE MANAGEMENT SYSTEM	1 500 000	0	0	0	0	0	0	1 500 000	0	0
TOTAL MUNICIPAL MANAGER'S OFFICE	2 500 000	0	0	0	0	0	0	2 500 000	0	0
CORPORATE SUPPORT SERVICES	7 600 000	0	0	0	0	0	550 000	8 150 000	0	0
CORPORATE SERVICES	7 600 000	0	0	0	0	0	0	7 600 000	0	0
CORPORATE ADMINISTRATION	7 600 000	0	0	0	0	0	0	7 600 000	0	0
UPGRADING TELEPHONE INFRASTRUCTURE	7 000 000	0	0	0	0	0	0	7 000 000	0	0
UPGRADING OF COUNCIL CHAMBER	500 000	0	0	0	0	0	0	500 000	0	0
OFFICE FURNITURE	100 000	0	0	0	0	0	0	100 000	0	0
HUMAN CAPITAL							550 000	550 000	0	0
TRAINING EQUIPMENTS	0	0	0	0	0	0	550 000.00	550 000	0	0
TOTAL CORPORATE SUPPORT SERVICES	7 600 000	0	0	0	0	0	550 000	8 150 000	0	0

2009/2010 PROPOSED SECURED IDP LINK CAPITAL PROJECTS BUDGET								SCHEDULE 3(a)		
CAPITAL BUDGET	FUNDING SOURCE:OWN FUNDING	FUNDING SOURCE:DBSA LOAN	FUNDING SOURCE:MIG	FUNDING SOURCE:NDPG	FUNDING SOURCE:SRAC	FUNDING SOURCE:DEPART OF SOCIAL DEVELOP	FUNDING SOURCE: GOT-SETA	2009/10	2010/11	2011/12
MUNICIPAL FINANCIAL MANAGEMENT	331 000	0	0	0	0	0	0	331 000	20 000	0
VALUATION	51 000	0	0	0	0	0	0	51 000	0	0
2x CHAIRS & 2X DESKS	51 000	0	0	0	0	0	0	51 000	0	0
SUPPLY CHAIN MANAGEMENT	80 000	0	0	0	0	0	0	80 000	20 000	0
SPECIALISED FILING UNITS FOR TENDER DOCU	30 000	0	0	0	0	0	0	30 000	20 000	0
OFFICE FURNITURE AND 10X VISITORS CHAIRS	50 000	0	0	0	0	0	0	50 000	0	0
BUDGET & TREASURY	200 000	0	0	0	0	0	0	200 000	0	0
OFFICE FURNITURE & FITTINGS	200 000	0	0	0	0	0	0	200 000	0	0
TOTAL FINANCIAL SERVICES	331 000	0	0	0	0	0	0	331 000	20 000	0
ECONOMIC SERVICES	8 150 000	0	0	18 800 000	0	0	0	26 950 000	100 000	100 000
DEVELOPMENT & PLANNING	150 000	0	0	18 800 000	0	0	0	18 950 000	100 000	100 000
CONSTRUCTION OF INFORMAL TRADING CENT	150 000	0	0	0	0	0	0	150 000	100 000	100 000
CHIEF MOGALE ABSA DEVELOPMENT	0	0	0	9 400 000	0	0	0	9 400 000	0	0
MUNSHIEVILLE, KAGISO & LERATONG PRECINT	0	0	0	9 400 000	0	0	0	9 400 000	0	0
RURAL & DEVELOPMENT	8 000 000	0	0	0	0	0	0	8 000 000	0	0
ACQUISITION OF LAND	8 000 000	0	0	0	0	0	0	8 000 000	0	0
TOTAL ECONOMIC SERVICES	8 150 000	0	0	18 800 000	0	0	0	26 950 000	100 000	100 000
INTEGRATED ENVIRONMENTAL MANAGEMENT	7 560 048	0	7 223 370	0	0	0	0	14 783 418	14 753 760	9 475 946
ENVIROMENTAL MANAGEMENT	5 906 486	0	3 374 792	0	0	0	0	9 281 278	10 000 000	7 975 946
LUIPAARDSVLEI LANDFILL SITE PHASE 3 COMPLETION	5 706 486	0	3 374 792	0	0	0	0	9 081 278	10 000 000	7 975 946
PURCHASE OF TWO WAY RADIOS	100 000	0	0	0	0	0	0	100 000	0	0
REPLACEMENT OF OLD MINOR PLANT MACHINES	100 000	0	0	0	0	0	0	100 000	0	0
PARKS	381 316	0	1 451 349	0	0	0	0	1 832 665	1 723 684	0
KAGISO REGIONAL PARK (MIG/GT0636/CF(P)08/09	0	0	530 849	0	0	0	0	530 849	0	0
AZAADVILLE PARKS DEVELOPMENT PHASE 1 (MIG/GT0915/CF(P)/09/10	381 316	0	920 500	0	0	0	0	1 301 816	1 723 684	0
CEMETRIES	1 272 246	0	2 397 229	0	0	0	0	3 669 475	3 030 076	1 500 000
KAGISO CEMETERY UPGRADING (MIG/GT0686/CE/07/09)	688 045	0	1 616 274	0	0	0	0	2 304 319	3 030 076	1 500 000
RURAL CEMETRIES UPGRADING (MIG/GT0705/CE/07/08	584 201	0	780 955	0	0	0	0	1 365 156	0	0
TOTAL ENVIROMENTAL MANAGEMENT	7 560 048	0	7 223 370	0	0	0	0	14 783 418	14 753 760	9 475 946

2009/2010 PROPOSED SECURED IDP LINK CAPITAL PROJECTS BUDGET										SCHEDULE 3(a)
CAPITAL BUDGET	FUNDING SOURCE:OWN FUNDING	FUNDING SOURCE:DBSA LOAN	FUNDING SOURCE:MIG	FUNDING SOURCE:NDPG	FUNDING SOURCE:SRAC	FUNDING SOURCE:DEPART OF SOCIAL DEVELOP	FUNDING SOURCE: GOT- SETA	2009/10	2010/11	2011/12
INFRASTRUCTURE SERVICES	74 249 124	5 096 693	30 883 187	-	0	0	0	110 229 005	115 965 898	141 856 921
ROADS AND SURFACE DRAINAGE	10 000 000	0	11 154 443	0	0	0	0	21 154 443	22 370 902	29 020 708
Pr 2: RIETVALLEI EXT 2- ROADS AND STORMWATER (MIG/GT0675/R, ST/07/10)	0	0	6 798 219	0	0	0	0	6 798 219	4 105 124	6 657 370
Pr 5: RIETVALLEI EXT 5 - ROADS AND STORMWATER (MIG/GT0676/R, ST/06/07)	0	0	0	0	0	0	0	0	4 365 778	6 157 370
Pr 9: GA- MOHALE - ROADS AND STORMWATER (MIG/GT1002/R, ST/09/10)	0	0	0	0	0	0	0	0	0	5 641 450
Pr 10: RIETVALLEI EXT 2: ROADS AND STORMWATER (MIG/GT0669/R, ST/07/07)	0	0	23 440	0	0	0	0	23 440	4 000 000	5 359 533
Pr 15: WESTERN RURAL - ROADS AND STORMWATER (MIG/GT1010/R, ST/09/14)	0	0	4 332 783	0	0	0	0	4 332 783	3 400 000	5 204 985
ETHEMBALETHU VILLAGE ACCESS ROUTES	2 000 000	0	0	0	0	0	0	2 000 000	2 000 000	0

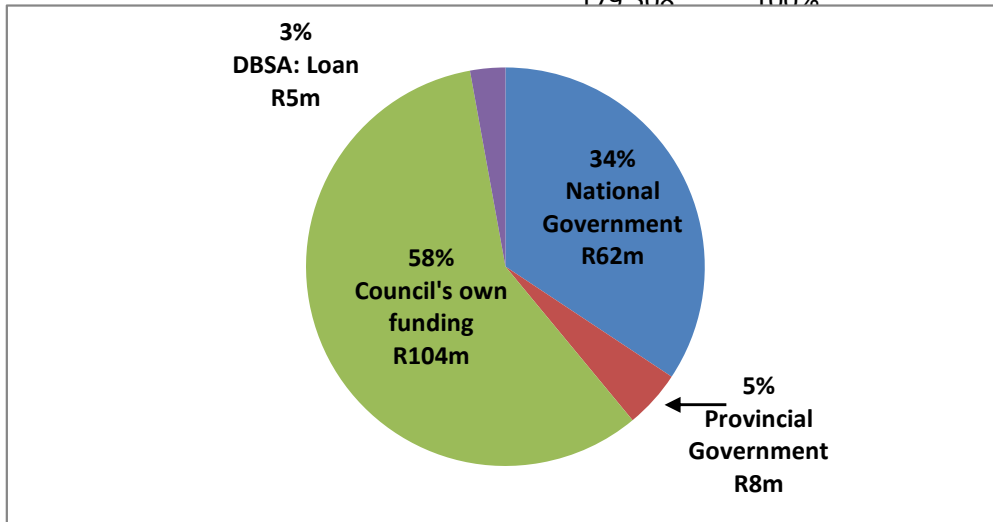
2009/2010 PROPOSED SECURED IDP LINK CAPITAL PROJECTS BUDGET										SCHEDULE 3(a)
CAPITAL BUDGET	FUNDING SOURCE:OWN FUNDING	FUNDING SOURCE:DBSA LOAN	FUNDING SOURCE:MIG	FUNDING SOURCE:NDPG	FUNDING SOURCE:SRAC	FUNDING SOURCE:DEPART OF SOCIAL DEVELOP	FUNDING SOURCE: GOT- SETA	2009/10	2010/11	2011/12
RIETFONTIEN VILLAGE ACCESS ROUTES	2 000 000	0	0	0		0		2 000 000		
RURAL FORMAL TOWNSHIPS (LEFTE): SITE AND SERVICE ACCESS GRAVEL ROADS AND SURFACE STORMWATER RUN OFF PROVISION	2 000 000	0	0	0	0	0	0	2 000 000	4 500 000	0
RANGEVIEW EXT 2 ROADS AND STORMWATER	4 000 000	0	0	0	0	0	0	4 000 000	0	0
ELECTRICITY DISTRIBUTIONS	37 000 000	0	0	0	0	0	0	37 000 000	38500000	31100000
ELECTRICITY SUPPLY UPGRADING	37 000 000	0	0	0	0	0	0	37 000 000	38 500 000	31 100 000
CONVERSION OF 6.6 kV (FACTORIA JACKSON DISTRIBUTION PHASE 1)	1 500 000	0	0	0	0	0	0	1 500 000	5 000 000	4 000 000
ADDITIONAL 33 kV LINE CONDALE/ KDP NORTH (UPGRADE PHASE 1)	2 300 000	0	0	0	0	0	0	2 300 000	5 000 000	5 000 000
ADDITIONAL 33 kV LINE CONDALE/ CHAMDOR (UPGRADE PHASE 1)	2 700 000	0	0	0	0	0	0	2 700 000	5 000 000	5 000 000
ADDITIONAL 33 kV LINE UPGRADE TO BOLTONIA SUBSTATION (MM) (PHASE 1)	3 500 000		0	0	0	0	0	3 500 000	0	0
DANGEROUS OVERHEAD CONNECTION TO UNDERGROUND CABLES (PHASE 1)	1 400 000		0	0	0	0	0	1 400 000	1 000 000	500 000
SECURITY FENCES: CONDALE, BOLTONIA, SPRUIT, KDP NORTH 33kV SUBSTATIONS	1 200 000		0	0	0	0	0	1 200 000	4 600 000	4 600 000
OVERHEAD LINES TO BUNDLE CONDUCTOR (PHASE 1)	1 500 000		0	0	0	0	0	1 500 000	5 600 000	5 800 000
ACCESS CONTROL: NEW LOCKING MECHANISMS	800 000		0	0	0	0	0	800 000	2 500 000	1 700 000
MUNSIEVILLE BULK SUPPLY UPGRADE: INCLUDES NEW DISTRIBUTION SUBSTATION	10 000 000		0	0	0	0	0	10 000 000	2 500 000	2 500 000
SINOOBILE, RIETVALLEI, ITHEMBALETHU, RIETFONTIEN VILLAGE STREETLIGHTS	2 800 000		0	0	0	0	0	2 800 000	1 800 000	0
HEKPOORT & MAGALIESBURG STREETLIGHTS	500 000		0	0	0	0	0	500 000	500 000	0
HIGH MAST LIGHTING: INFORMAL SETTLEMENTS	1 800 000		0	0	0	0	0	1 800 000	3 000 000	0
RANGEVIEW EXT 2 DISTRIBUTION NETWORK	7 000 000		0	0	0	0	0	7 000 000	2 000 000	2 000 000
BUILDING FACILITIES	3 100 000	0	0	0	0	0	0	3 100 000	2 000 000	1 500 000
INSTALLATION OF SECURITY FENCE: TOWN HALL	2 500 000	0	0	0	0	0	0	2 500 000	0	0
JOHANNA BOTHA SPORTS COMPLEX (FLOODLIGHTS)	600 000	0	0	0	0	0	0	600 000	2 000 000	1 500 000

2009/2010 PROPOSED SECURED IDP LINK CAPITAL PROJECTS BUDGET								SCHEDULE 3(a)		
CAPITAL BUDGET	FUNDING SOURCE:OWN FUNDING	FUNDING SOURCE:DBSA LOAN	FUNDING SOURCE:MIG	FUNDING SOURCE:NDPG	FUNDING SOURCE:SRAC	FUNDING SOURCE:DEPART OF SOCIAL DEVELOP	FUNDING SOURCE: GOT- SETA	2009/10	2010/11	2011/12
WATER AND SANITATION	24 149 124	5 096 693	19 728 744	0	0	0	0	48 974 562	53 094 996	80 236 213
WATER	9 400 000	5 096 693	10 564 330	0	0	0	0	25 061 024	12 189 695	11 563 825
OFFICE FURNITURE	200 000	0	0	0	0	0	0	200 000	0	0
RURAL WATER AND SANITATION/ ELANDRIFT WATER PIPELINE (MIG/GT0714/W, S/07/09)	0	0	3 779 442	0	0	0	0	3 779 442	5 011 700	2 405 265
NEW 6ML MULDERSDRIFT RESERVOIR /SECTION A STRUCTURE (MIG/GT0773/W/05/08)	0	0	1 140 448	0	0	0	0	1 140 448	0	0
NEW 6ML MULDERSDRIFT RESERVOIR /SECTION B STRUCTURE (MIG/GT0773/W/05/08)	0	5 096 693	0	0	0	0	0	5 096 693	0	0
PREPAYMENT WATER METERS PHASE 2 (MIG/GT1009/S/09/10)	0	0	5 644 441	0	0	0	0	5 644 441	3 414 006	0
PREPAYMENT WATER METERS PHASE 3 (MIG/GT1009/S/09/10)	0	0	0	0	0	0	0	0	3 763 989	9 158 560
BASIC WATER SUPPLY TARGETS	0	0	0	0	0	0	0	-	0	0
ETHEMBALETHU VILLAGE WATER	2 600 000	0	0	0	0	0	0	2 600 000	0	0
RIETFontein VILLAGE WATER	2 600 000	0	0	0	0	0	0	2 600 000	0	0
RANGEVIEW EXT 2 WATER	4 000 000	0	0	0	0	0	0	4 000 000	0	0
SANITATION	14 749 124	0	9 164 414	0	0	0	0	23 913 538	40 905 301	68 672 387
LUSAKA EXT 2 & 3 RENEWALS (PHASE 2) CONSTRUCTION OF LUSAKA PUMP STATION AND SEWER LINES MIG/GT0704/W, S/07/09)	0	0	5 458 064	0	0	0	0	5 458 064	12 333	0
MULDERSDRIFT OUTFALL SEWER - PHASE 1 (MIG/GT0250/S/05/06)	749 124	0	0	0	0	0	0	749 124	4 892 968	0
MULDERSDRIFT BULK SEWER - PHASE 2 (MIG/GT1009/S/09/10)	0	0	2 129 550	0	0	0	0	2 129 550	2 000 000	3 000 000
FLIP HUMAN WATER CARE WORKS (WCW)- PHASE 1 (MIG/GT1015/S/09/10)	0	0	492 750	0	0	0	0	492 750	2 000 000	6 500 000
MAGALIESBURG WCW- PHASE 1 (MIG/GT0974/S/08/11)	0	0	1 084 050	0	0	0	0	1 084 050	2 000 000	6 900 000
PERCY STEWART WATER CARE WORKS UPGRADE/REFURBISHMENT	5 000 000	0	0	0	0	0	0	5 000 000	30 000 000	50 000 000
RIETFontein VILLAGE SANITATION	2 500 000	0	0	0	0	0	0	2 500 000	0	0
ETHEMBALETHU VILLAGE SANITATION	2 500 000	0	0	0	0	0	0	2 500 000	0	0
RANGEVIEW EXT 2 SEWER	4 000 000	0	0	0	0	0	0	4 000 000	0	0
LUSAKA EXT 2 AND 3 RENEWALS (PHASE 3) MIG/GT0931/S/09/11)	0	0	0	0	0	0	0	0	0	2 272 387
TOTAL INFRASTRUCTURE SERVICES	74 249 124	5 096 693	30 883 187	0	0	0	0	110 229 005	115 965 898	141 856 921

2009/2010 PROPOSED SECURED IDP LINK CAPITAL PROJECTS BUDGET										SCHEDULE 3(a)
CAPITAL BUDGET	FUNDING SOURCE:OWN FUNDING	FUNDING SOURCE:DBSA LOAN	FUNDING SOURCE:MIG	FUNDING SOURCE:NDPG	FUNDING SOURCE:SRAC	FUNDING SOURCE:DEPART OF SOCIAL DEVELOP	FUNDING SOURCE: GOT- SETA	2009/10	2010/11	2011/12
SOCIAL SERVICES	3 500 000	0	4 660 659	0	900 000	7 000 000	0	16 060 659	8 985 884	2 474 112
SOCIAL DEVELOPMENT	0	0	0	0	0	7 000 000	0	7 000 000	3 500 000	0
MUNSIENVILLE & KAGISO: COMPLETION OF EARLY	0	0	0	0	0	7 000 000	0	7 000 000	3 500 000	0
SPORTS,ARTS ,CULTURE AND HERITAGE	0	0	4 660 659	0	0	0	0	4 660 659	5 485 884	2 474 112
MUNSIENVILLE SPORTS HUB COMPLEX (MIG/GT0825/CF/08/10)	0	0	4 660 659	0	0	0	0	4 660 659	5 485 884	2 474 112
LIBRARIES	0	0	0	0	900 000	0	0	900 000	0	0
PALISADE FENCING-KRUGERDORP LIBRARY	0	0	0	0	700 000	0	0	700 000	0	0
FURNITURE FOR LEWISHAM LIBRARY	0	0	0	0	200 000	0	0	200 000	0	0
PUBLIC SAFETY	3 500 000	0	0	0	0	0	0	3 500 000	0	0
INSTALLATION OF SECURITY SYSTEMS	3 000 000	0	0	0	0	0	0	3 000 000	0	0
PURCHASING OF FIRE ARMS	500 000	0	0	0	0	0	0	500 000	0	0
TOTAL SOCIAL SERVICES	3 500 000	0	4 660 659	0	900 000	7 000 000	0	16 060 659	8 985 884	2 474 112
TOTAL PROPOSED CAPITAL BUDGET	104 394 172	5 096 693	42 767 216	18 800 000	900 000	7 000 000	550 000	179 508 081	139 825 542	153 906 979

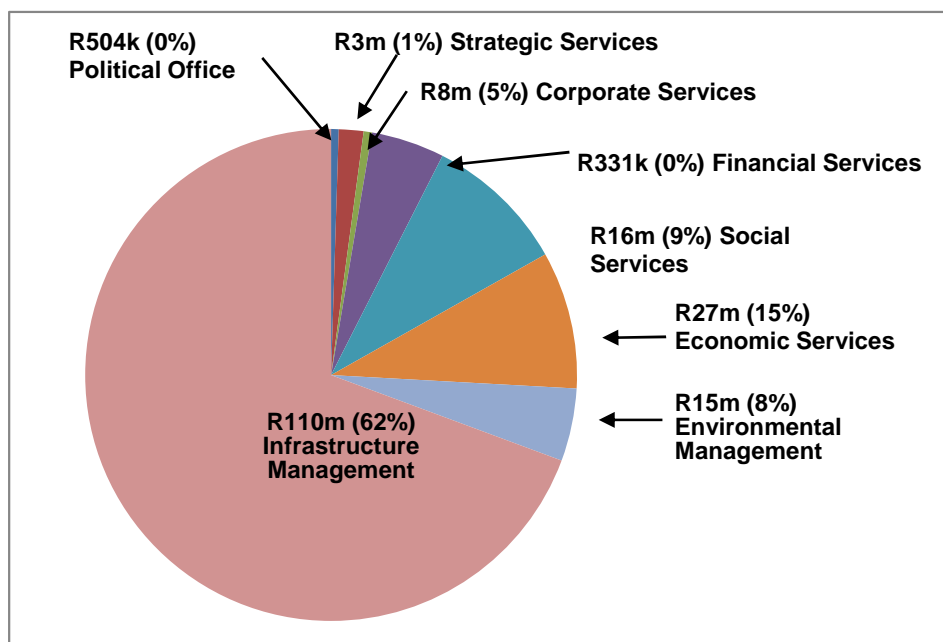
FUNDING OF THE CAPITAL BUDGET

National Government	61 567	34%
Provincial Government	8 450	5%
Council's own funding	104 394	58%
DBSA: LOAN	5 097	3%
	179 508	100%



BUDGET VOTES

Political Office	504	0%
Strategic Services	2 500	1%
Corporate Support Services	8 150	5%
Municipal Financial Management	331	0%
Social Services	16 061	9%
Economic Services	26 950	15%
Environmental Management	14 783	8%
Infrastructure Management	110 229	61%
	179 508	100%



2009/2010 PROPOSED UNSECURED CAPITAL PROJECTS BUDGET			SCHEDULE 3(b)
PROJECT NO:	CAPITAL BUDGET	FUNDING SOURCE:OWN FUNDING	2009/10
	CORPORATE SUPPORT SERVICES	400 000	400 000
	CORPORATE SERVICES	200 000	200 000
	CORPORATE ADMINISTRATION	200 000	200 000
3	10 DESKS,10 CHAIRS,10 VISITORS CHAIRS,10 FILING CUPBOARDS AND 10 WOODEN C	200 000	200 000
	HUMAN CAPITAL	200 000	200 000
3	AIRCONDITIONING UNITS,2X LCD PROJECTORS 1X2 IN ONE TV SET 102cm,4 FLIP CHARTS STANDS,2 MOBILE SCREEN(triport),2 NOTE BOOKS- PRESENTATION	200 000	200 000
	TOTAL CORPORATE SUPPORT SERVICES	400 000	400 000
	INFRACTUCTURE SERVICES	55 800 000	55 800 000
	ROADS AND SURFACE DRAINAGE	13 400 000	13 400 000
3	UTLWANONG STORMWATER UPGRADE	3 700 000	3 700 000
4	SPEED CALMING MEASURES	800 000	800 000
5	STORMWATER MANAGEMENT SYSTEM AND STORMWATER NETWORKS UPGRADE	3 500 000	3 500 000
6	PUBLIC TRANSPORT ROUTE AND FACILITIES	4 600 000	4 600 000
7	KERBING AND SIDEWALKS	800 000	800 000
	ELECTRICITY DISTRIBUTIONS	34 000 000	34 000 000
3	REPLACEMENT OF SWITCHGEAR WITH HENLEY PANELS	3 600 000	3 600 000
4	CONDALE EMERGENCY SWITCHGEAR UPGRADE (OLD)	2 500 000	2 500 000
5	CONVERSION OF UNDERGROUND TO BUNDLE CONDUCTORS	2 500 000	2 500 000
6	ADDITION OF 20 MVA TRANSFORMER AT KRUGERSDORP	4 500 000	4 500 000
7	STREETLIGHTS, TRAFFIC LIGHTS ON MAIN ROUTES AND INTERSECTIONS	7 500 000	7 500 000
8	HIGHLIGHTS MASTS IN INFORMAL AREAS BOTH URBAN AND RURAL	3 800 000	3 800 000
10	ENERGY EFFICIENCY IMPLEMENTATION PLAN	5 000 000	5 000 000

2009/2010 PROPOSED UNSECURED CAPITAL PROJECTS BUDGET			SCHEDULE 3(b)
PROJECT NO:	CAPITAL BUDGET	FUNDING SOURCE:OWN FUNDING	2009/10
11	SUBSTATION SECURITIES	4 600 000	4 600 000
	WATER AND SANITATION	8 400 000	8 400 000
	WATER	8 400 000	8 400 000
3	PREPAID WATER METERS	6 400 000	6 400 000
4	SANITATION NATIONAL TARGETS	2 000 000	2 000 000
	TOTAL INFRASTRUCTURE SERVICES	55 800 000	55 800 000
	SOCIAL SERVICES	2 200 000	2 200 000
	SOCIAL UPLIFTMENT	200 000	200 000
	FURNITURE FOR HEKPOORT ECDC	200 000	200 000
	PUBLIC SAFETY	2 000 000	2 000 000
11	MUNICIPAL COURT: NEW BUILDING	2 000 000	2 000 000
	TOTAL SOCIAL SERVICES	2 200 000	2 200 000
	TOTAL PROPOSED CAPITAL BUDGET	58 400 000	58 400 000

2009/2010 OUT-OF-BOOKS CAPITAL BUDGET				SCHEDULE 3(c)	
CAPITAL BUDGET OUT OF BOOKS	FUNDING SOURCE:DEPARTMENT OF HOUSING	FUNDING SOURCE:NDPG	2009/10	2010/11	2011/12
ECONOMIC SERVICES					
PLANNING AND DEVELOPMENT					
CHIEF MOGALE ABSA DEVELOPMENT	0	1 250 000	1 250 000	0	0
MUNSIEVILLE,KAGISO & LERATONG PRECINT	0	1 250 000	1 250 000	0	0
HOUSING					
ETHEMBALETHU VILLAGE	800 000	0	800 000	3 000 000	5 000 000
RIETFontein VILLAGE	3 500 000	0	3 500 000	4 800 000	0
KAGISO-AZAADVILLAGE SUSTAINABLE HUMAN SETTLEMENT DEVELOPMENT	60 000 000	0	60 000 000	330 000 000	340 000 000
RIETVALLEI PROPER &EXT 1	21 600 000	0	21 600 000	21 600 000	0
MUNSIEVILLE HOSTEL	2 500 000	0	2 500 000	25 000	0
RE- BUILDING OF HOUSES DIntegRATED KAGISO X1	6 300 000	0	6 300 000	0	0
MUNSIEVILLE COMMANDO LAND	6 750 000	0	6 750 000	6 750 000	0
KAGISO OLD HOSTEL REDEVELOPMENT	12 000 000	0	12 000 000	25 000 000	34 000 000
KAGISO GREEN HOSTEL CONVERSION OF HOSTEL FAMILY UNITS	5 200 000	0	5 200 000	5 250 000	0
MUNSIVILLE EXT 4 CONSTRUCTION OF 500 SEMI-DETACHED UNITS	9 132 000	0	9 132 000	9 132 000	0
MUNSIVILLE EXT4 CONSSTRUCTION OF 612 SEMI DETACHED UNITS	11 177 680	0	11 177 680	11 177 680	0
MUNSIVILLE EXT 6 CONSTRUCTION OF 871 SINGLE & SEMI DETACHED UNITS	1 815 888	0	1 815 888	15 000 000	15 000 000
RIETVALLEI EXT 2&3 CONSTRUCTION OF 2400 UNITS	10 133	0	10 133	10 133	10 134
RIETVALLEI EXT 5 CONSTRUCTION OF 663 UNITS	12 306 000	0	12 306 000	15 694 000	0
TOTAL ECONOMIC SERVICES	153 091 701	2 500 000	155 591 701	447 438 813	394 010 134
SOCIAL SERVICES					
HEALTH MANAGEMENT					
CONSTRUCTION OF NEW CLINIC: LUIPAARDSVLEI	0	0	-	0	0
TOTAL SOCIAL SERVICES	0	0	-	0	0
TOTAL CAPITAL BUDGET(OUT OF BOOKS)	153 091 701	2 500 000	155 591 701	447 438 813	394 010 134